



Management Discussion and Analysis For the Year Ended April 30, 2024

This management's discussion and analysis ("MD&A") is management's interpretation of the financial condition and results of operations of Aero Energy Limited (formerly Angold Resources Ltd.) (the "Company" or "Aero") for the year ended April 30, 2024. This MD&A should be read in conjunction with the audited financial statements of the Company for the fiscal year ended April 30, 2024, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A complements and supplements, but does not form part of, the Company's financial statements.

This MD&A contains forward-looking statements. Statements regarding the adequacy of cash resources to carry out the Company's exploration programs or the need for future financing are forward-looking statements. All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language included in this MD&A. Readers are advised to refer to the cautionary language when reading any forward-looking statements.

All dollar amounts contained herein are expressed in Canadian dollars unless otherwise indicated. This MD&A has been prepared as of August 28, 2024.

BUSINESS OVERVIEW

The Company was incorporated under the laws of the Canada Business Corporations Act on October 6, 2004. On October 22, 2012, the Company completed a continuation under the BC Business Corporations Act ("BCBCA"). On December 18, 2020, the Company changed its name to Angold Resources Ltd. On February 8, 2024, the Company changed its name from Angold Resources Ltd. to Aero Energy Limited. The Company is listed on the TSX Venture Exchange (the "Exchange") under the trading symbol "AERO". The Company's principal office is located at 918-1030 West Georgia Street, Vancouver, BC, V6E 2Y3.

The Company is a junior mineral exploration company in the business of acquiring, exploring, and evaluating natural resource properties, and either developing these properties further or disposing of them when the evaluation is complete. As at the date of this MD&A, the Company is focused on advancing its flagship optioned properties – Sun Dog, Strike, and Murmac, which are located in the historic Uranium City district within Saskatchewan's Athabasca Basin. In addition, the Company holds a 100% interest in the Dorado and Cordillera Properties, both located in the Maricunga Gold and Copper Belt in northern Chile.

The Company's ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements. While the Company has been successful in raising equity in the past, there can be no guarantee that it will be able to raise sufficient funds to fund its activities and general and administrative costs in the future. Many factors influence the Company's ability to raise funds, including the health of the capital market, the climate for mineral exploration investment and the Company's track record. Actual funding requirements may vary from those planned due to a number of factors, including the acquisition of new projects. There is no guarantee that the Company will be able to secure additional financings in the future at terms that are favourable, or at all.

On March 1, 2023, the Company closed a non-brokered private placement, issuing 1,025,000 common shares at a price of \$0.20 for gross proceeds of \$205,000.

On June 7, 2023, the Company completed a share consolidation of its outstanding common shares on the basis of one post-consolidation share for every ten pre-consolidation shares. All share and per-share figures have been adjusted to reflect this consolidation.

On June 26, 2023, the Company raised gross proceeds of \$90,000 by way of promissory notes. The promissory notes are non-interest bearing, unsecured, and payable on demand. Of the proceeds, \$30,000 was with an officer and director of the Company.

On October 13, 2023, the Company agreed to settle the loans payable of \$90,000 and a further \$61,000 in indebtedness owing to certain officers of the Company in consideration for services previously rendered to the Company through the issuance of 3,020,000 common shares at a deemed price of \$0.05 per share. The common shares were issued on November 7, 2023.

On November 7, 2023, the Company closed a non-brokered private placement, issuing 16,880,000 common shares at a price of \$0.05 for gross proceeds of \$844,000. On the same date, the Company issued 3,020,000 common shares to settle outstanding indebtedness of \$90,000 owed in connection with working capital loans made to the Company and a further \$61,000 owing to certain officer's for services previously rendered to the Company.

On March 6, 2024, the Company closed the first tranche of a non-brokered private placement (the “Offering”) for gross proceeds of \$4,537,170. In connection with the first tranche of the Offering, the Company issued (i) 12,418,468 non-flow-through units of the Company (each, an “NFT Unit”) at a price of \$0.15 per NFT Unit; (ii) 8,425,144 flow-through units of the Company (each, an “FT Unit”) at a price of \$0.175 per FT Unit; and (iii) 5,274,724 flow-through charity units (each, a “Charity Unit”) at a price of \$0.2275.

On March 8, 2024, the Company closed the second and final tranche of the Offering for additional gross proceeds of \$1,362,830, comprised of (i) 5,693,913 NFT units and (ii) 2,907,100 FT units, under the same terms as the first tranche. The Company issued an aggregate of 34,719,349 units for aggregate gross proceeds of \$5,900,000 between the two tranches.

Acquisition of 1443904 B.C. Ltd.

On February 8, 2024, the Company completed the acquisition (the “Transaction”) of 1443904 B.C. Ltd. (“NumberCo”) for consideration of 23,500,000 common shares of the Company. NumberCo holds options to acquire up to 70% of the Murmac Property and Strike Property, and 100% of the Sun Dog Property (collectively, the “Optioned Properties”).

Sun Dog Property (the “Sun Dog Option”)

The Sun Dog Option is for the right to acquire a 100% interest from Standard Uranium Ltd. (“Standard”) under the following terms:

| | Cash (C\$) | Consideration Shares (C\$) | Exploration Expenditures (C\$) | Interest Earned |
|-----------------------|------------------|----------------------------|--------------------------------|-----------------|
| Execution Date | \$200,000 (paid) | \$200,000 (issued) | <i>Nil</i> | |
| October 20, 2024 | \$200,000 | \$200,000 | \$1,500,000 | |
| October 20, 2025 | \$250,000 | \$250,000 | \$2,000,000 | |
| October 20, 2026 | <i>Nil</i> | <i>Nil</i> | \$3,000,000 | |
| Total | \$650,000 | \$650,000 | \$6,500,000 | 100% |

Following exercise of the Sun Dog Option, Standard will retain a 2% net smelter returns royalty, which may be reduced to 1% for a \$1,000,000 cash payment.

Strike and Murmac Properties (the “Strike and Murmac Option”)

The Strike and Murmac Option is for the right to acquire up to 70% in the Strike and Murmac properties from Fortune Bay Corp. (“Fortune Bay”) under the following terms:

| | Cash (C\$) | Consideration Shares (C\$) | Exploration Expenditures (C\$) | Interest Earned |
|------------------------------|--------------------|----------------------------|--------------------------------|-----------------|
| Execution Date | \$200,000 (paid) | \$200,000 (issued) | <i>Nil</i> | |
| December 15, 2024 | \$200,000 | \$200,000 | \$1,000,000 | |
| December 15, 2025 | \$250,000 | \$250,000 | \$2,000,000 | |
| Total (First Option) | \$650,000 | \$650,000 | \$3,000,000 | 51% |
| December 15, 2026 | \$300,000 | \$300,000 | \$3,000,000 | |
| Total (Second Option) | \$300,000 | \$300,000 | \$3,000,000 | 60% |
| December 15, 2027 | \$400,000 | \$1,200,000 | <i>Nil</i> | |
| Total (Third Option) | \$400,000 | \$1,200,000 | <i>Nil</i> | 70% |
| Grand Total | \$1,350,000 | \$2,150,000 | \$6,000,000 | |

The Murmac property is subject to an existing 2% net smelter returns royalty.

After earning-in a 51%, 60% or 70% interest (whichever the case may be), the Company and Fortune Bay will form a joint venture with standard pro-rata funding requirements.

Transaction Terms

Pursuant to the terms of the Transaction, the Company has acquired all of the outstanding share capital of NumberCo in consideration for the issuance of 23,500,000 common shares of the Company (the “Payment Shares”) to the existing shareholders of NumberCo. The Company has also assumed the obligations of NumberCo related to the Optioned Properties, as summarized above.

The Payment Shares were issued on February 8, 2024 at a fair value of \$2,498,100, based on the closing price of \$0.15 on the date of issuance, less a discount for a lack of marketability due to voluntary pooling agreements. On the same date, the

Company issued 1,333,333 common shares to each of Fortune Bay and Standard, at a deemed price of \$0.15, as Consideration Shares pursuant to the respective option agreements, as summarized above.

Dorado and Cordillera Properties, Chile

The Lajitas and Dorado claims comprise the Dorado property and are located in the Maricunga region of Chile. The Nevada claim comprises the Cordillera property and is also located in the Maricunga region of Chile. Both the Dorado and the Cordillera Properties include a 2% net smelter royalty which may be reduced to 1% for a payment of C\$2,000,000 at any time.

The Dorado Property hosts Maricunga-style gold porphyry and epithermal gold deposits. The Dorado claims consist of 9 exploitation concessions and 52 exploration concessions staked by the Company in 2020, totaling 15,300 hectares. In January 2021, the Company began its drill program on the Lajitas target in the Dorado Property and drilled 4,300 m over 9 holes. The program identified mineralization beyond historically reported resources and confirmed historic intercepts. The Company has also undertaken a regional exploration program and has multiple targets on the project, including Lajitas South, a large coincident hyperspectral, geophysical and As-Au anomaly along a 2.2 km strike length.

Canada Properties

Full details regarding the projects are contained in the Company's news releases available the Company's website at www.aeroenergy.ca and on SEDAR+ at www.sedarplus.ca.

Costs incurred with respect to the properties are summarized below:

| | Sun Dog | Fortune Bay | Uchi | USA Properties | Chile Properties | Total |
|-------------------------------------|--------------|--------------|------------|----------------|------------------|---------------|
| Acquisition Costs | | | | | | |
| Balance, April 30, 2022 | \$ - | \$ - | \$ 17,000 | \$ 191,054 | \$ 284,875 | \$ 492,929 |
| Additions | - | - | - | 304,899 | - | 304,899 |
| Impairment | - | - | (17,000) | (495,953) | - | (512,953) |
| Balance, April 30, 2023 | - | - | - | - | 284,875 | 284,875 |
| Additions | 1,769,522 | 1,065,250 | - | - | - | 2,834,772 |
| Balance, April 30, 2024 | \$ 1,769,522 | \$ 1,065,250 | \$ - | \$ - | \$ 284,875 | \$ 3,119,647 |
| Deferred Exploration Costs | | | | | | |
| Balance, April 30, 2022 | \$ - | \$ - | \$ 194,720 | \$ 1,302,852 | \$ 5,752,541 | \$ 7,250,113 |
| Consulting fees | - | - | 10,565 | - | - | 10,565 |
| Drilling | - | - | - | 1,215,919 | - | 1,215,919 |
| Exploration | - | - | 132,626 | 570,504 | 35,480 | 738,610 |
| Permitting and staking fees | - | - | - | 182,879 | 217,781 | 400,660 |
| General project costs | - | - | 18,633 | 135,338 | 232,035 | 386,006 |
| Impairment | - | - | (356,544) | (3,188,878) | - | (3,545,422) |
| Transferred to assets held for sale | - | - | - | (218,614) | - | (218,614) |
| Balance, April 30, 2023 | \$ - | \$ - | \$ - | \$ - | \$ 6,237,837 | \$ 6,237,837 |
| Exploration | - | - | - | - | 1,206 | 1,206 |
| Permitting and staking fees | 15,207 | 15,207 | - | - | 82,192 | 112,606 |
| Geophysics | 119,690 | 240,759 | - | - | - | 360,449 |
| General project costs | 128,409 | 6,480 | 7,897 | - | 100,374 | 243,160 |
| Impairment | - | - | (7,897) | - | - | (7,897) |
| Balance, April 30, 2024 | \$ 263,306 | \$ 262,446 | \$ - | \$ - | \$ 6,421,609 | \$ 6,947,361 |
| Total | | | | | | |
| Balance, April 30, 2023 | \$ - | \$ - | \$ - | \$ - | \$ 6,522,712 | \$ 6,522,712 |
| Balance, April 30, 2024 | \$ 2,032,828 | \$ 1,327,696 | \$ - | \$ - | \$ 6,706,484 | \$ 10,067,008 |

During the year ended April 30, 2024, the Company staked a package of mining claims in Saskatchewan which are prospective for uranium mineralization, for a cost of \$30,414.

During the year ended April 30, 2024, the Company completed the acquisition of its flagship Optioned Properties – Sun Dog, Strike, and Murmac, as outlined above. The Optioned Properties are all located in proximity to the Company's existing uranium properties.

During the year ended April 30, 2023, the Company decided to dispose of the USA Properties. Accordingly, The USA Properties were transferred to assets held for sale, which resulted in an impairment loss of \$3,684,831 to adjust the carrying value of the assets held for sale to their estimated fair value less costs to sell.

Additionally, during the year ended April 30, 2023, the Company determined it was not going to renew the Uchi claims upon expiry in 2023. The Uchi Property was written off, resulting in an impairment loss of \$373,544. During the year ended April 30, 2024, the Company incurred additional expenditures of \$7,897 related to the Uchi property, which resulted in an impairment loss during the year ended April 30, 2024 of \$7,897 (2023 - \$Nil).

On May 17, 2023, the Company transferred the legal rights and obligations of the Hope Butte Project and the Iron Butte Project to Minas Metals Ltd. ("Minas"), for consideration of 10,000,000 common shares of Minas.

ANNUAL FINANCIAL INFORMATION

The selected financial information below is derived from the Company's audited consolidated financial statements for the years ended April 30, 2024, 2023 and 2022, prepared in accordance with IFRS. The Company's significant accounting policies and new accounting policies applied in the preparation of its consolidated financial statements are outlined in Note 3 to the Company's audited consolidated financial statements for the years ended April 30, 2024 and 2023.

| | Year ended | | |
|--|----------------|----------------|----------------|
| | April 30, 2024 | April 30, 2023 | April 30, 2022 |
| Total revenue | \$ - | \$ - | \$ - |
| Operating expenses | 890,410 | 5,209,956 | 2,491,254 |
| Other expenses (income) | (28,132) | - | - |
| Net loss | 862,278 | 5,209,956 | 2,491,254 |
| Total comprehensive loss | 862,278 | 5,209,956 | 2,491,254 |
| Basic and diluted loss per common share: | 0.02 | 3.90 | 2.60 |

| | As at | | |
|-----------------------------------|----------------|----------------|----------------|
| | April 30, 2024 | April 30, 2023 | April 30, 2022 |
| Cash | \$ 3,749,613 | \$ 125,176 | \$ 3,713,638 |
| Assets held for sale | - | 218,614 | - |
| Exploration and evaluation assets | 10,067,008 | 6,522,712 | 7,743,042 |
| Total assets | 15,420,649 | 6,915,470 | 11,867,023 |
| Current financial liabilities | 705,361 | 180,464 | 205,873 |
| Shareholders' equity | 14,715,288 | 6,735,006 | 11,661,150 |

Results of operations

The Company incurred a net and comprehensive loss of \$862,278 during the year ended April 30, 2024, a decrease in loss of \$4,347,678, as compared to the net and comprehensive loss of \$5,209,956 for the year ended April 30, 2023. The decrease in net loss and total comprehensive loss was primarily driven by:

- An impairment loss of \$4,104,368 incurred in the comparative period to adjust the carrying value of the USA Properties to their estimated fair value less costs to sell and transfer to assets held for sale, and to write off the Uchi Property.
- Decreases to general and administrative fees of \$46,519 and consulting fees of \$113,374, due to expected fluctuations in the normal course of business.
- Professional fees increased by \$56,442 due to costs in relation to the acquisition of NumberCo.
- Shareholder information and investor relations decreased by \$62,798, as the Company reduced its marketing and investor relations activity in the current year.
- A foreign exchange gain of \$86,474 in the comparative year, compared to a foreign exchange loss of \$15,327 in the current year. This is a result of fluctuations in the US Dollar and Chilean Peso relative to the Canadian Dollar in the year.
- Stock-based compensation expense decreased by \$5,943 as no stock options were granted in the current period.
- A deposit relating to an exploration and evaluation asset drilling program of \$97,504 was written off during the comparative year while no such expense was incurred in the current period.

Summary of quarterly results

The following table provides a summary of financial data for the Company's most recent eight quarters derived from the Company's unaudited condensed interim financial statements prepared in accordance with IAS 34:

| | Quarter ended | Revenue | Loss before other income and expenses | Total comprehensive loss | Basic and diluted income (loss) per common share |
|-------|------------------|---------|---|-----------------------------|--|
| Q4/24 | April 30, 2024 | \$ - | \$ (354,974) | \$ (234,499) | \$ (0.01) |
| Q3/24 | January 31, 2024 | \$ - | \$ (190,423) | \$ (939,908) | \$ (0.03) |
| Q2/24 | October 31, 2023 | \$ - | \$ (188,584) | \$ 354,652 | \$ 0.02 |
| Q1/24 | July 31, 2023 | \$ - | \$ (156,429) | \$ (42,523) | \$ (0.00) |
| Q4/23 | April 30, 2023 | \$ - | \$ (4,211,836) | \$ (4,211,836) | \$ (0.31) |
| Q3/23 | January 31, 2023 | \$ - | \$ (360,138) | \$ (360,138) | \$ (0.03) |
| Q2/23 | October 31, 2022 | \$ - | \$ (193,409) | \$ (193,409) | \$ (0.02) |
| Q1/23 | July 31, 2022 | \$ - | \$ (444,573) | \$ (444,573) | \$ (0.04) |

The primary factors affecting the magnitude and variations of the Company's losses are as follows:

- Q4 2024: The Company incurred professional fees in relation to the acquisition of Numberco.
- Q3 2024: The Company recognized a loss on marketable securities of \$628,685 on its shares in Minas Metals Ltd., as well as a loss on debt settlement of \$120,800, driving the increased net and comprehensive loss in the quarter.
- Q2 2024: The Company recognized a gain on marketable securities of \$543,236 driven by the shares held in Minas Metals Ltd., driving the net and comprehensive income for the quarter.
- Q4 2023: The Company recognized an impairment loss of \$4,104,368 to adjust the carrying value of the USA Properties to their estimated fair value less costs to sell on transfer to assets held for sale, and write off the Uchi Property.
- Q3 2023: The Company wrote-off of a drilling deposit of \$97,504 outside the normal course of operations.
- Q2 2023: The Company incurred a foreign exchange gain driven by fluctuations in the US dollar and Chilean Peso relative to the Canadian dollar, resulting in the decreased loss.

LIQUIDITY AND CAPITAL RESOURCES

The Company's financial statements for the fiscal year ended April 30, 2024 have been prepared on a going concern basis, which assumes that the Company will continue in operation in the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. At April 30, 2024, the Company had cash of \$3,749,613 (April 30, 2023: \$125,176) and its current assets exceeded its current liabilities by \$4,648,280 (April 30, 2023: \$212,294). The Company currently has no active business and is not generating any revenues. It has incurred losses and negative cash flows from operations since inception and had an accumulated deficit of \$21,967,754 as at April 30, 2024 (April 30, 2023: \$21,271,641).

The Company's ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements. While the Company has been successful in raising equity in the past, there can be no guarantee that it will be able to raise sufficient funds to fund its activities and general and administrative costs in the next twelve months and in the future. The condensed consolidated interim financial statements for the year ended April 30, 2024 do not give effect to the required adjustments to the carrying amounts and classification of assets and liabilities should the Company be unable to continue as a going concern.

Cash flows

Cash used in operating activities for the year ended April 30, 2024 was \$2,198,525 compared to \$872,911 for the year ended April 30, 2023. The increase in spending is a result of the Company paying down accounts payable, increasing prepaid expenses and operating activities.

Cash used in investing activities for the year ended April 30, 2024 was \$631,794 compared to \$2,910,652 in the comparative period. Investing activities relates to investment in the Company's exploration and evaluation assets.

Cash provided by financing activities for the year ended April 30, 2024 was \$6,454,756 compared to proceeds from the issuance of shares in the comparative period of \$195,101.

TRANSACTIONS WITH RELATED PARTIES

The Company's related parties consist of its key management personnel, including its directors and officers.

During the normal course of business, the Company enters into transactions with its related parties that are considered to be made at normal market prices and on normal commercial terms.

- (a) Key management compensation included in management fees for the years ended April 30, 2024 and 2023 were as follows:

| | April 30, 2024 | April 30, 2023 |
|-----------------|----------------|----------------|
| Legal fees | \$ 62,243 | \$ 55,680 |
| Management fees | \$ 159,000 | \$ 258,268 |
| Total | \$ 221,243 | \$ 313,948 |

- (b) During the year ended April 30, 2024, the Company incurred stock-based compensation expense of \$nil (2023 - \$2,292) related to stock options granted to officers and directors of the Company.
- (c) At April 30, 2024, the Company had \$nil (April 30, 2023 - \$91,237) owing to related parties. These amounts are non-interest bearing and have no fixed term of repayment.
- (d) During the year ended April 30, 2024, the Company received reimbursements of \$nil (2023 - \$45,347) from Summa Silver Corp. ("Summa"). As of April 30, 2024, Summa owed the Company \$nil (April 30, 2023 - \$14,547) (Note 9). Summa is a related party due to a common director and officer.
- (e) On June 26, 2023, the Company entered into a promissory note with an officer in the amount of \$30,000. The note was unsecured, non-interest bearing and payable on demand. On November 7, 2023, the promissory note was settled through the issuance of 600,000 common shares.
- (f) On November 7, 2023, the Company settled \$61,000 of accounts payable with an officers through the issuance of 1,220,000 common shares.

FOURTH QUARTER

| | April 30, 2024 | April 30, 2023 |
|--|----------------|----------------|
| EXPENSES | | |
| General and administrative costs | \$ 30,043 | \$ 7,242 |
| Management fees | 56,500 | 60,000 |
| Consulting fees | 76,523 | 59,357 |
| Professional fees | 30,520 | 10,926 |
| Shareholder information and investor relations | 128,613 | 1,239 |
| Transfer agent, regulatory and listing fees | 32,322 | 9,635 |
| Stock-based compensation expense | - | 2,757 |
| Foreign exchange (gain) loss | (7,444) | (43,688) |
| Other items | (112,578) | 4,104,368 |
| Net loss | \$ 234,499 | \$ 4,211,836 |

The Company incurred a net loss and total comprehensive loss of \$234,499 during the three months ended April 30, 2024 compared to a loss of \$4,211,836 for the same period of 2023, an decrease in loss of \$3,977,337.

The decrease in loss was a result of the decreased level of activity at the Company, refer to discussion above under "Results of operations and "Summary of quarterly results".

MATERIAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The critical judgements and estimates that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements for the year ended April 30, 2024 are as follows:

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Impairment of long-lived assets

The Company evaluates each long-term asset each reporting period to determine if there are any indications of impairment. If any such indications exist, an estimate of the recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The estimates and assumptions used to estimate the recoverable amount of the long-lived assets are subject to risk and uncertainty and there is the possibility that changes in circumstances will alter these estimates and assumptions.

Determination of functional currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the respective entity operates; the Company has determined the functional currency of Aero Energy Limited and its subsidiaries to be the Canadian dollar. Such determination involves certain judgements to identify the primary economic environment. The Company reconsiders the functional currency of its subsidiaries if there is a change in events and/or conditions which determine the primary economic environment.

Income taxes

The Company recognizes deferred tax assets for deductible temporary differences, unused tax losses and other income tax deductions only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and other income tax deductions can be utilized. In assessing the probability of realizing the income tax benefits of deductible temporary differences, unused tax losses and other income tax deductions, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence.

As at April 30, 2024 and April 30, 2023, the Company has not recognized any deferred tax assets for deductible temporary differences. Changes in any of the above-mentioned estimates can materially affect the amount of income tax assets recognized. In addition, where applicable tax laws and regulations are either unclear or subject to varying interpretations, changes in these estimates can occur that materially affect the amounts of income tax assets recognized. The Company reassesses unrecognized income tax assets at the end of each reporting period.

Marketable securities

Marketable securities are measured at their fair value by reference to the quoted share price and considering a discount to reflect lock-up restrictions. This requires estimation and changes in assumptions when estimating the fair value can materially affect the fair value estimate of the marketable securities.

NEW ACCOUNTING STANDARDS AND ACCOUNTING STANDARDS NOT YET EFFECTIVE

The Company adopted amendments to IAS 1 effective May 1, 2024 which change the requirements with regard to disclosure of accounting policies. The amendment did not have a material impact on the Company's condensed consolidated interim financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter into any off-balance sheet arrangements during the year ended April 30, 2024.

FINANCIAL INSTRUMENTS AND RELATED RISKS

Classifications

The Company's financial assets and liabilities are classified as follows:

| | April 30, 2024 | April 30, 2023 |
|---|----------------|----------------|
| Financial assets: | | |
| <i>Fair value through profit and loss</i> | | |
| Cash | \$ 3,749,613 | \$ 125,176 |
| Financial liabilities: | | |
| <i>Amortized cost</i> | | |
| Accounts payable | \$ 125,842 | \$ 68,782 |

The amount of accounts payable includes amounts due to related parties .

The fair values of the Company's cash and accounts payable approximate their carrying amounts due to the short-term nature of these instruments.

Financial instrument risk exposure

The Company's financial instruments expose the Company to certain financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. At April 30, 2024, the Company was exposed to credit risk on its cash.

The Company's cash are held with a high credit quality financial institution in Canada and as at April 30, 2024, management considers its exposure to credit risk to be low.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining adequate cash and managing its capital and expenditures.

At April 30, 2024, the Company had cash of \$3,749,613 (April 30, 2023 - \$125,176), and accounts payable and accrued liabilities of \$125,842 (April 30, 2023 - \$180,464) with contractual maturities of less than one year. The Company had sufficient cash to meet its current liabilities as at April 30, 2024. The Company therefore assessed its liquidity risk as low as at April 30, 2024.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company's financial assets and financial liabilities are not exposed to interest rate risk due to their short-term nature and maturity. The Company is not exposed to interest rate risk at April 30, 2024.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies.

As at Aril 30, 2024, the Company is exposed to foreign currency risk, as it has cash, accounts payables and accrued liabilities denominated in US Dollars and Chilean Peso. Based on its volume of transactions, the Company determines its foreign currency risk is not significant.

OUTSTANDING SHARE CAPITAL DATA

At the date of this MD&A, the Company has 95,256,541 common shares issued and outstanding.

The Company has authorized an unlimited number of common shares without par value.

At the date of this MD&A, the Company has warrants outstanding as follows:

| Expiry date | Warrants outstanding | Exercise price | Remaining contractual life (in years) |
|--------------------|---------------------------------|-----------------------|--|
| December 16, 2024 | 2,309,410 | \$ 1.65 | 0.30 |
| April 5, 2025 | 1,956,640 | \$ 2.00 | 0.60 |
| April 5, 2025 | 136,964 | \$ 1.40 | 0.60 |
| April 14, 2025 | 575,638 | \$ 2.00 | 0.62 |
| March 5, 2026 | 14,166,688 | \$ 0.25 | 1.53 |
| March 8, 2026 | 4,896,936 | \$ 0.25 | 1.53 |
| | 24,042,276 | \$ 0.58 | 1.31 |

At the date of this MD&A, the Company has stock options outstanding as follows:

| Expiry date | Options outstanding and exercisable | Exercise price | Remaining contractual life (in years) |
|--------------------|--|-----------------------|--|
| December 29, 2025 | 234,500 | \$ 4.00 | 1.33 |
| January 26, 2027 | 116,000 | \$ 1.65 | 2.41 |
| April 26, 2028 | 20,000 | \$ 0.50 | 3.66 |
| May 4, 2029 | 5,600,000 | \$ 0.15 | 4.68 |
| | 5,970,500 | \$ 3.08 | 4.66 |

RISKS AND UNCERTAINTIES

The Company's business remains mineral property acquisition, exploration and development business and as a result it may be exposed to a number of operational, financial, regulatory and other risks and uncertainties that are typical in the natural resource industry and common to other companies in the exploration and development stage. These risks may not be the only risks faced by the Company. Additional risks and uncertainties not presently known by the Company or which are presently considered immaterial could adversely impact the Company's business, results of operations, and financial performance in future periods. Refer to the Company's Filing Statement dated December 18, 2020 for a list of further risk factors impacting the Company.

CONFLICTS OF INTEREST

The Company's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, the Company will follow the provisions of the BCBCA dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the BCBCA. In accordance with the laws of the Province of British Columbia, the directors and officers of Aero are required to act honestly, in good faith, and in the best interest of Aero.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes “forward-looking statements” and “forward-looking information” within the meaning of Canadian securities legislation. All statements included in this MD&A, other than statements of historical fact, are forward-looking statements. When used in this MD&A, words such as “may”, “would”, “could”, “will”, “intend”, “expect”, “believe”, “plan”, “anticipate”, “estimate”, “scheduled”, “forecast”, “predict”, “foresee” and other similar terminology, or sentences/statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company’s future operational or financial performance.

These statements reflect the Company's current expectations regarding future events, performance and results, and is accurate only at the time of this MD&A, and may be superseded by more current information. Forward-looking statements also involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company or its mineral projects to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or information.

In making such statements, the Company has made assumptions regarding, among other things: general business and economic conditions; the availability of additional; the supply and demand for, inventories of, and the level and volatility of the prices of metals; the timing and receipt of governmental permits and approvals; changes in regulations; political factors; the accuracy of the Company’s interpretation of the geology of the Company’s properties and prospective properties; the availability of equipment, skilled labour and services needed for the exploration of mineral properties; and currency fluctuations.

Although the forward-looking statements or information contained in this MD&A are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. They should not be read as guarantees of future performance or results. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to: the factors discussed below and under "Risks and Uncertainties"; unanticipated changes in general business and economic conditions or conditions in the financial markets; fluctuations in the price of metals; stock market volatility; the availability of exploration capital and financing generally; changes in national and local government legislation; changes to taxation; changes in interest or currency exchange rates; loss of key personnel; inaccurate geological assumptions; competition; unavailability of materials and equipment; government action or delays in the receipt of permits or government approvals; and unanticipated events related to health, safety and environmental matters, including the impact of epidemics.

Forward-looking information is designed to help readers understand management’s current views of the Company’s near and longer-term prospects, and it may not be appropriate for other purposes. The Company will not update any forward-looking statements or forward-looking information unless required to by applicable securities laws.